GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:970
ANSWERED ON:19.07.2002
SMALLER DENOMINATION NOTES
SURESH RAMRAO JADHAV (PATIL)

Will the Minister of FINANCE be pleased to state:

970 Shri Suresh Ramrao Jadhav Will the Minister of Finance be pleased to state:

(a) Whether due to high cost of production and low life span, the Government had discontinued printing of small denomination notes some time back;

(b) whether Government have again started printing of five rupee notes recently;

(c) if so, the reasons therefor along with the cost of production of each note vis-Ã -vis cost of same denomination;

(d) whether the government propose to introduce plastic currency as in some neighboring countries; and

(e) If not, the reasons therefor?

Answer

MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH)

(a) In view of the greater velocity of circulation of smaller denomination notes and return to Reserve Bank of India as soiled notes much faster than the higher denomination notes Government had discontinued printing of small denomination notes.

(b) & (C) Yes, Sir. The Bank Notes of Rs. 5 denomination has been reintroduced in May 2001 to meet the shortage of Rs. 5 coins. Cost of production of Rs. 5 note varies from 34.5 paise to 78 paise per piece.

d) No, Sir.

e) Does not arise.